



DCMC

Overhead Center

Leverage Command Resources...Field Focus

**Lt Col Kathryn Johnson
DCMDI-RO**

Who We Are...

DCMC
Overhead Center

- ✓ Rechartered in 1997
- ✓ A team of contracting, actuarial, legal, and pension/insurance specialists organized to support DCMC's ACOs

**Resident
Staff (11)**

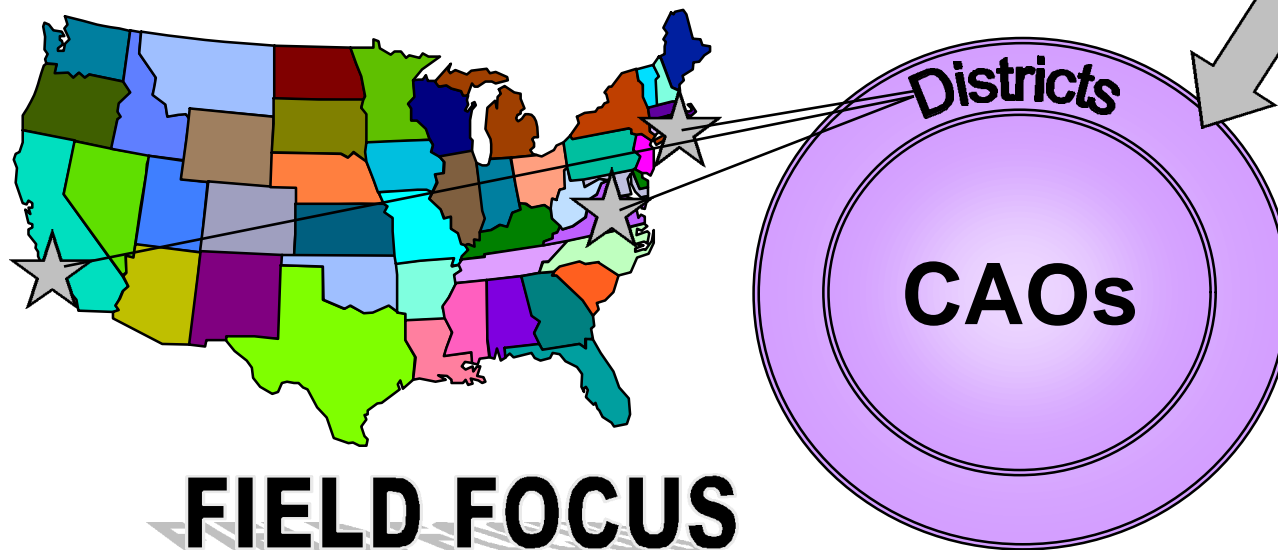
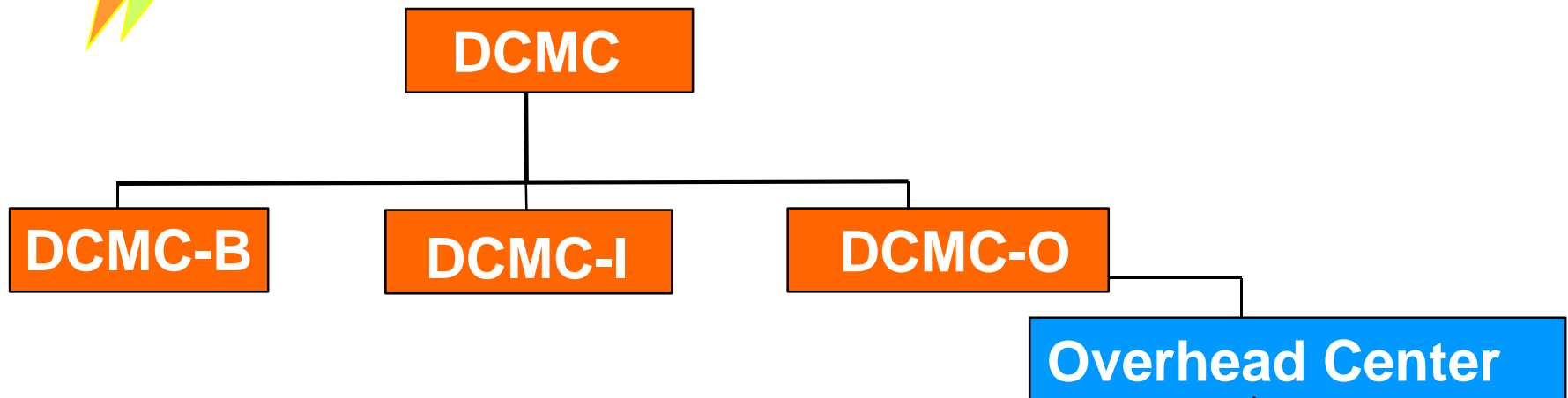
**Contractor
Insurance
& Pension
Review (CIPR)
Teams (29)**

**Legal
Practice
Group (3)**

DCMC's 1102 Force Multiplier



Where Do We Fit?





DCMC OVERHEAD CENTER

OUR FOCUS

- Final Overhead Rates
- CAS Noncompliances
- Forward Pricing Rates
- Mergers/Acquisitions
- Pensions



**INDIRECT COSTS =
53% OF PROCUREMENT
COSTS**



**SERVICES STRUGGLING TO
PAY "YESTERDAY'S BILLS"**



250 BENEFICIAL SEGMENTS

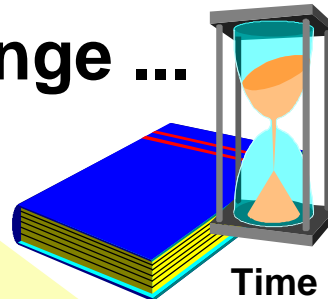


**VOLATILE INDUSTRY
ENVIRONMENT**



DCMC OVERHEAD CENTER

Motivation for Change ...



**Final Overhead Rate
Settlement TARGET:
24-36 month**

DOD Guidance

**DCMC Backlog
from 1980s**

**870 overhead
years > 2 yrs old**

**275 CAS cases
over 12 mo. old**

Effort



**Canceling
Funds**

No more M Accounts





Final Overhead Rate Settlements

DOD TARGET - 24 -36 Months →

6 Months

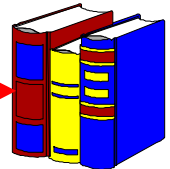
12 - 24 Months

6 Months

Contractor Proposal

Audit Report

ACO Negotiations

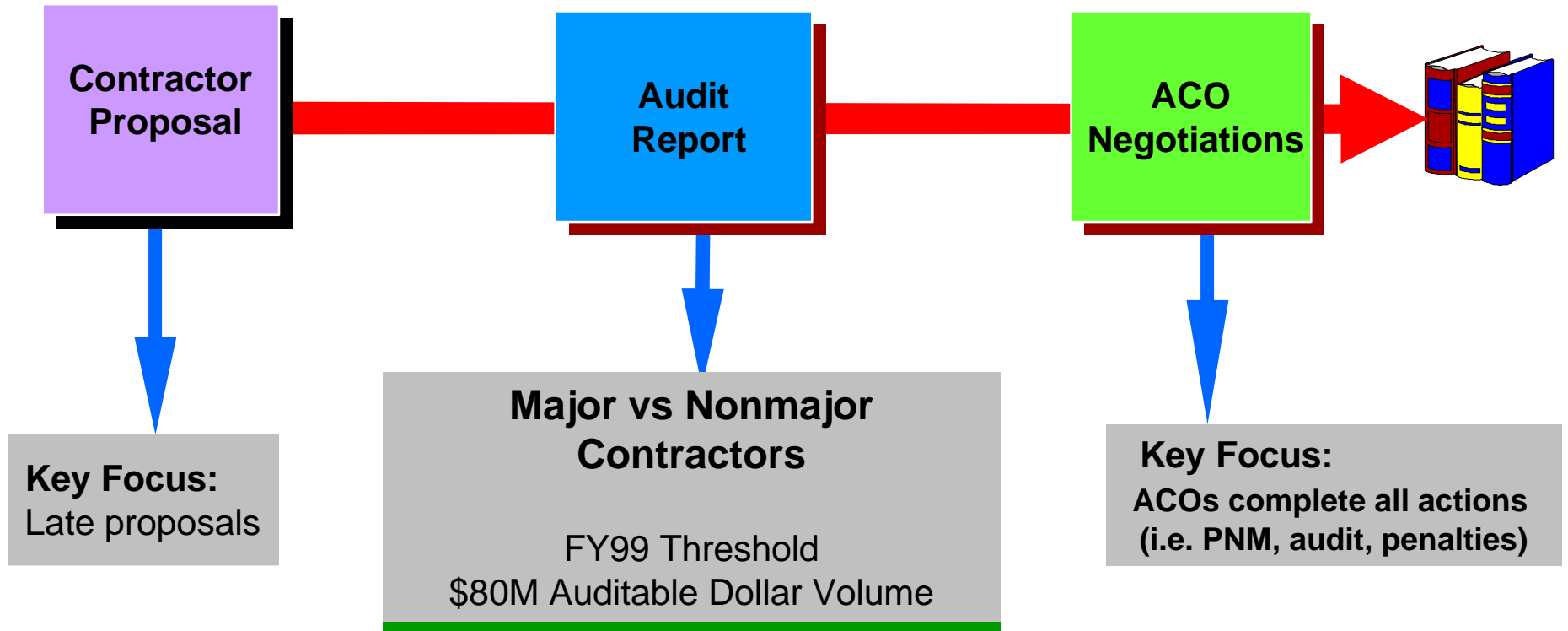


Key Focus:
Late proposals

Major vs Nonmajor Contractors

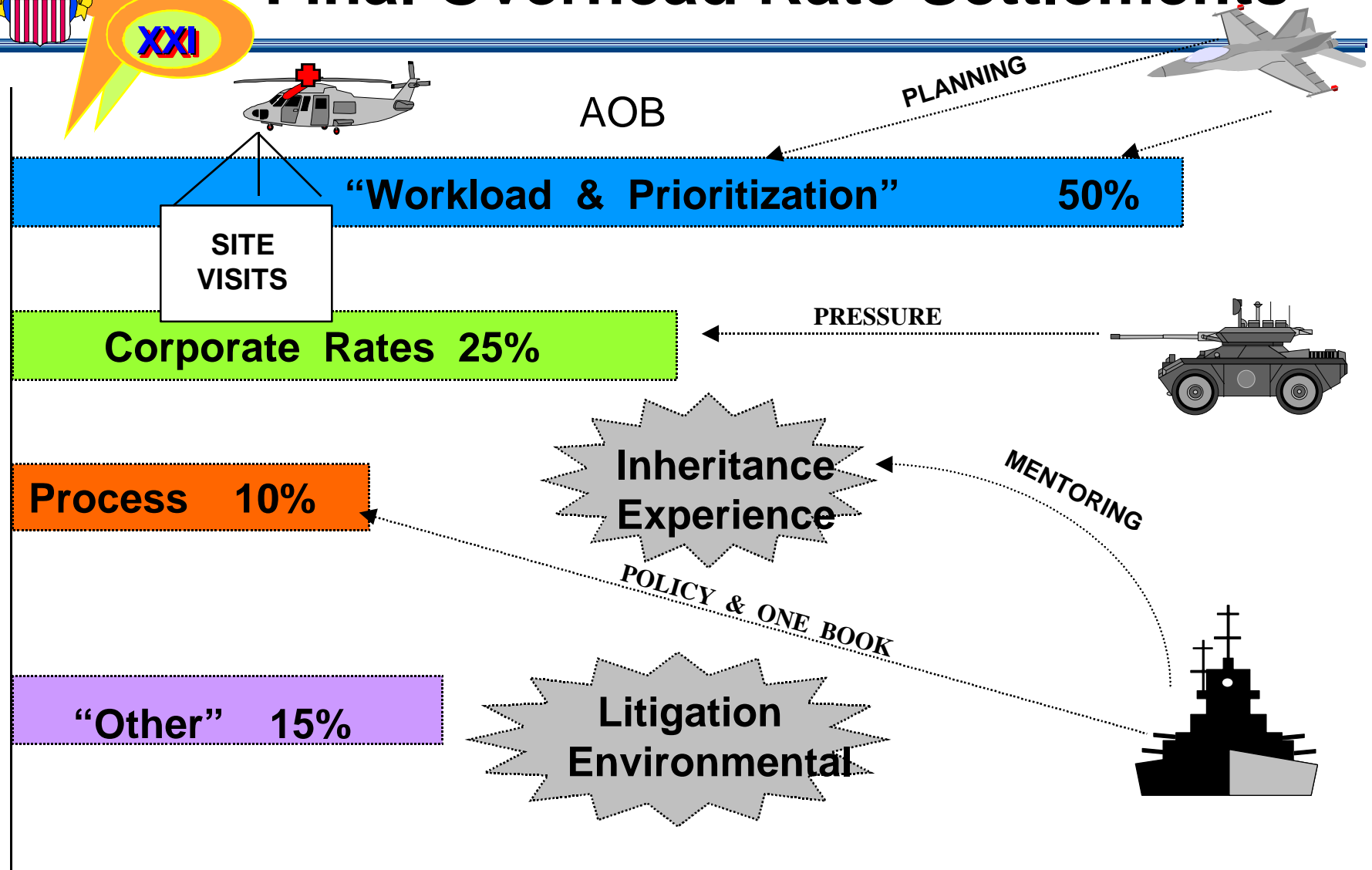
FY99 Threshold
\$80M Auditable Dollar Volume

Key Focus:
ACOs complete all actions
(i.e. PNM, audit, penalties)





Final Overhead Rate Settlements





Real Time Rates

- Earlier Issue Identification/Resolution
- Earlier Negotiations
- Earlier Contract Closeout



- ACO
- Auditor
- Contractor

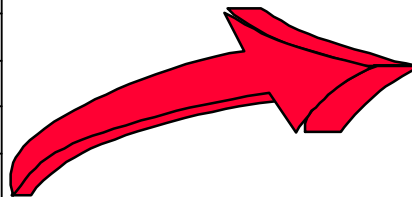
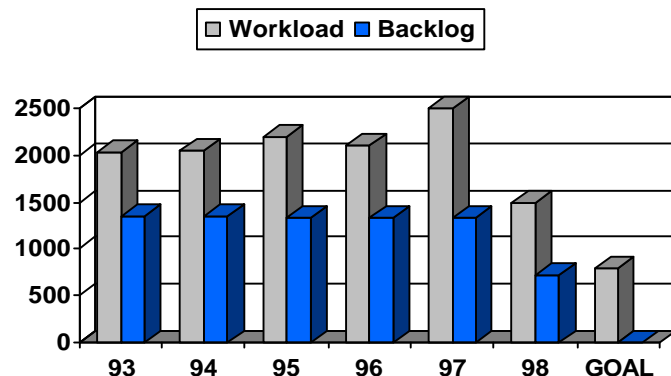
- Reduced Overhead Costs
- Could release excess



OVERHEAD BACKLOG



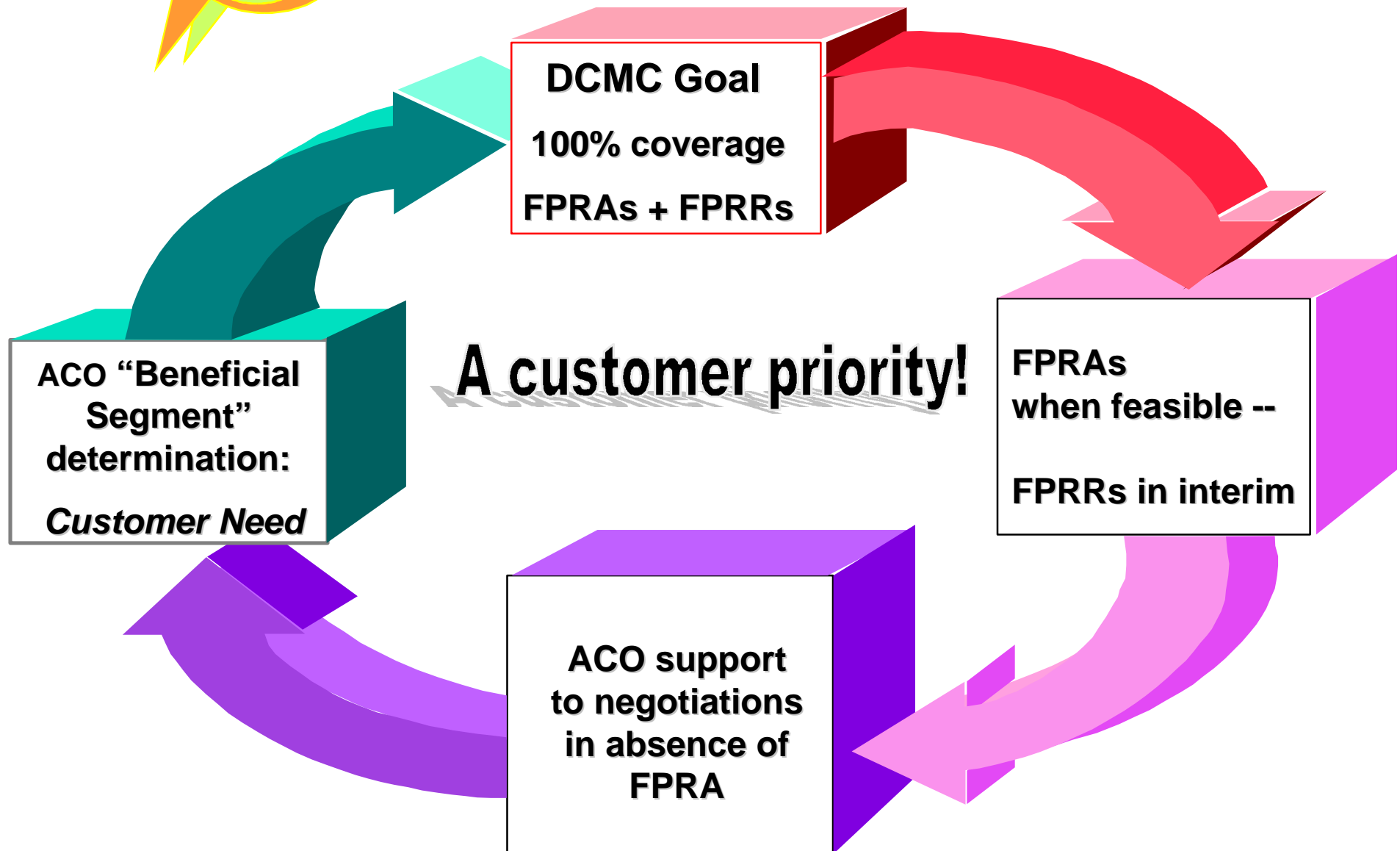
REAL TIME RATES



Review of contractor incurred costs in *CURRENT* year

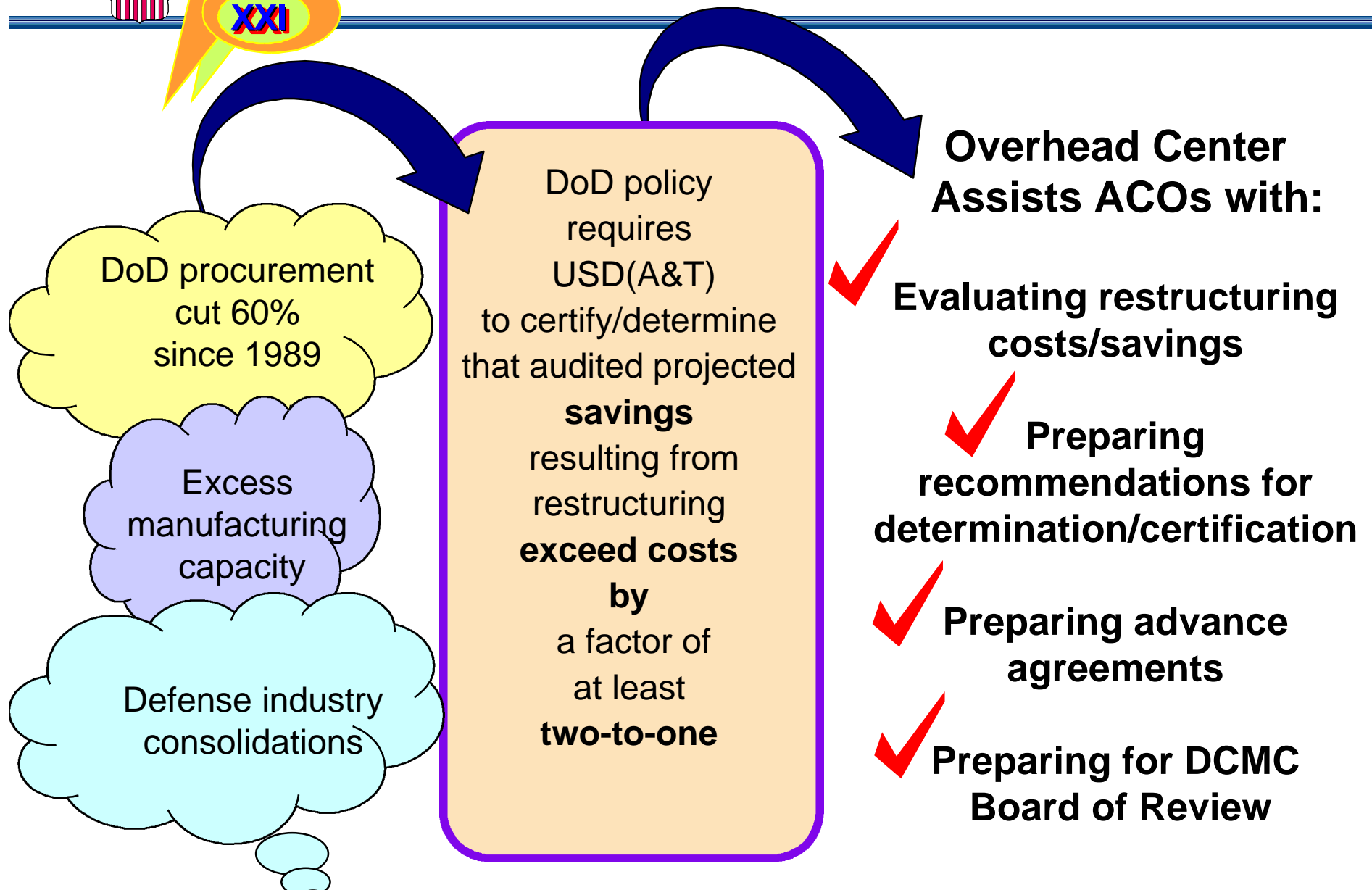


FORWARD PRICING COVERAGE





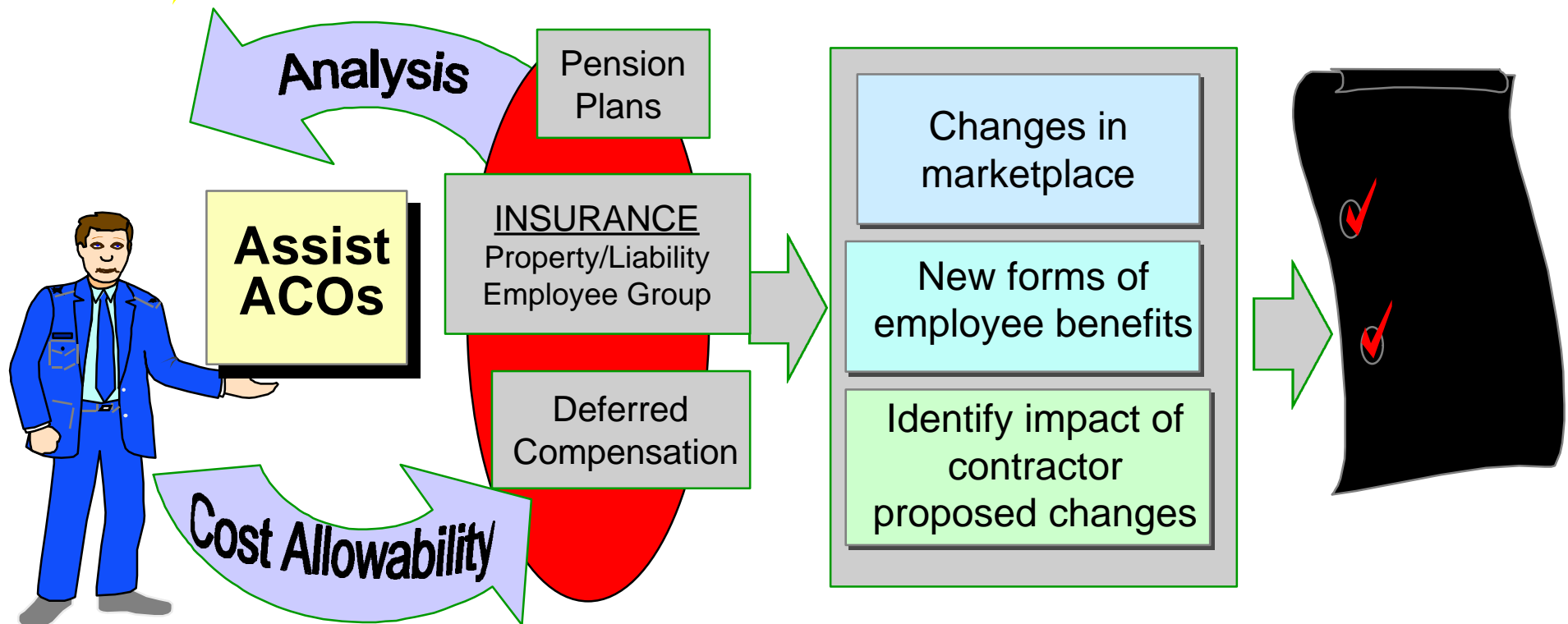
Mergers & Acquisitions





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Contractor Insurance/Pension Reviews



Process involves ACO, Contractor, Auditor, and CIPR specialist as an integrated team



Overhead Center Team Page

**Your resource for
overhead information
on the Web!**

www.dcmc.hq.dla.mil/Centers/Ohc/Index.htm

CIPR Training
Final Overhead Rates
Forward Pricing Rates
Real Time Rates
CAS Guide

Current Issue
Past Editions

REGULATIONS

•FAR, DFARS,
1Book, CAS, Bus
Plan, Etc.

GUIDES

•Pricing, Incurred
Cost, Parametric
Pricing, Etc.

REFERENCE MATERIAL

•Treasury Rates,
CAGE Codes,
AMS Guide, CBD
& Fed Register
(daily updates),
Etc.

•INDUSTRY
INFORMATION

Headquarters Defense Contract Management Command

Overhead Center

- [Our Mission](#)
- [Key Topics & Lessons Learned](#) UPDATED 04-23
- [Our Initiatives](#) UPDATED 04-24
- [Overhead Center Legal Newsletter](#)
- [How to Contact Us](#) UPDATED 04-23
- [Information You Can Use](#) UPDATED 04-27 *Take a look!*
- [Helpful Links](#) UPDATED 04-29

[DCMC Homepage](#) [Our Team's Homepage](#) [Next Page](#) [Send Us Email](#)

www.dcmc.hq.dla.mil/Centers/Ohc/Index.htm

CAS
CAFU
CIPR
Boards
Final OH Rates
Forward Pricing
Reorganizations
Penalties
Education

List of DCEs &
CACOs

Topics for
DCMC/DCAA
Meetings

DSMC Indirect
Cost
Management
Guide

Policy & Info
Memos Re: OH

OHC Briefing

“Smart Bank”

DCMC

Overhead Center Success...

“Establishing Relationships”

Since Jan 1997

- Open OH years decreased by 40%
- Unresolved CAS issues decreased by 46%

Planning

Measuring Success

Teaming with ACO and DCAA

Individual Leadership



DCMC OVERHEAD CENTER

RESIDENT STAFF

Lt Col Kathryn Johnson
Ms BK Huamani
Ms Myla Edwards
Mr Glenn Gulden
Mr Bill Hill
Ms Pat Janik
Mr George Matray
Mr John McPherson
Mr Pat Ring

CONTRACTOR INSURANCE & PENSION REVIEW (CIPR) TEAMS

Mr Bob Yesner - New York (12)
Mr Irv Finston - Chicago (10)
Mr Manny Teles - Los Angeles (7)

DEFENSE CORPORATE EXECUTIVES (DCEs)

Mr Steve Trautwein - Boeing
Mr Raymond Eichman (acting) - General Dynamics
Mr Ken Cavoli - General Electric
Mr Don Springer - Hughes/ Northrup Grumman
Mr Lou Becker - Lockheed Martin
Ms Denise Chezek - L3 Communications, Loral
Mr Don Pixley - McDonnell Douglas
Mr Herb Homer - Raytheon
Mr Rich Conroy - Textron
Mr Dave O'Brien - TRW
Mr Alan Tinti - UTC
Mr Tom Smith - Westinghouse

LEGAL PRACTICE GROUP

Mr Rob Burton
Mr Larry Rabyne
Mr Ray Wong